

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTER-COUNTY ELECTRIC)
COOPERATIVE CORPORATION FOR AN ORDER)
AUTHORIZING IT TO BORROW FROM THE UNITED)
STATES OF AMERICA \$2,030,000 AND FROM)
THE NATIONAL RURAL UTILITIES COOPERATIVE)
FINANCE CORPORATION \$89,907 FOR THE)
PURPOSE OF IMPROVING EXISTING LINES AND)
FACILITIES AND FOR CONSTRUCTING) CASE NO. 10227
ADDITIONAL LINES AND FACILITIES; AND TO)
EXECUTE A MORTGAGE NOTE FOR \$2,030,000)
PAYABLE TO THE UNITED STATES OF AMERICA)
AND A LOAN AGREEMENT AND MORTGAGE NOTE)
FOR \$896,907 PAYABLE TO THE NATIONAL)
RURAL UTILITIES COOPERATIVE FINANCE)
CORPORATION SECURED BY A RESTATED)
MORTGAGE TO SECURITY AGREEMENT)

O R D E R

IT IS ORDERED that Inter-County Rural Electric Cooperative Corporation ("Inter-County") shall file an original and three copies of the following information with this Commission, with a copy to all parties of record within 10 days of the date of this Order. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide a detailed description of any other financing options that were considered in securing the National Rural Utilities Cooperative Finance Corporation ("CFC") loan. This

response should include the reason(s) that CFC financing was selected over other options as well as the results of any studies conducted which support the use of CFC financing.

2. What consideration has Inter-County given to the various loan programs available through CFC? Explain which option Inter-County anticipates selecting at this time.

3. Provide the additional debt service requirements associated with the Rural Electrification Administration ("REA") loan and CFC loan.

4. Provide amortization schedules of the proposed REA loan and the loan from CFC.

5. On page 3 of the application are listed the amounts of CFC borrowings over the past years. Provide a schedule of these borrowings showing the original amount borrowed, the initial interest rate, the February 29, 1988, interest rate, the February 29, 1988, outstanding balance, and the maturity date of each note.

6. Will Inter-County be able to meet its increased debt service requirements with the revenues generated by its existing rates?

Done at Frankfort, Kentucky, this 4th day of May, 1988.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director